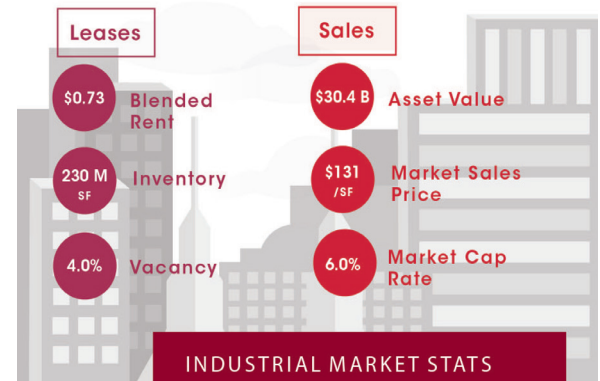


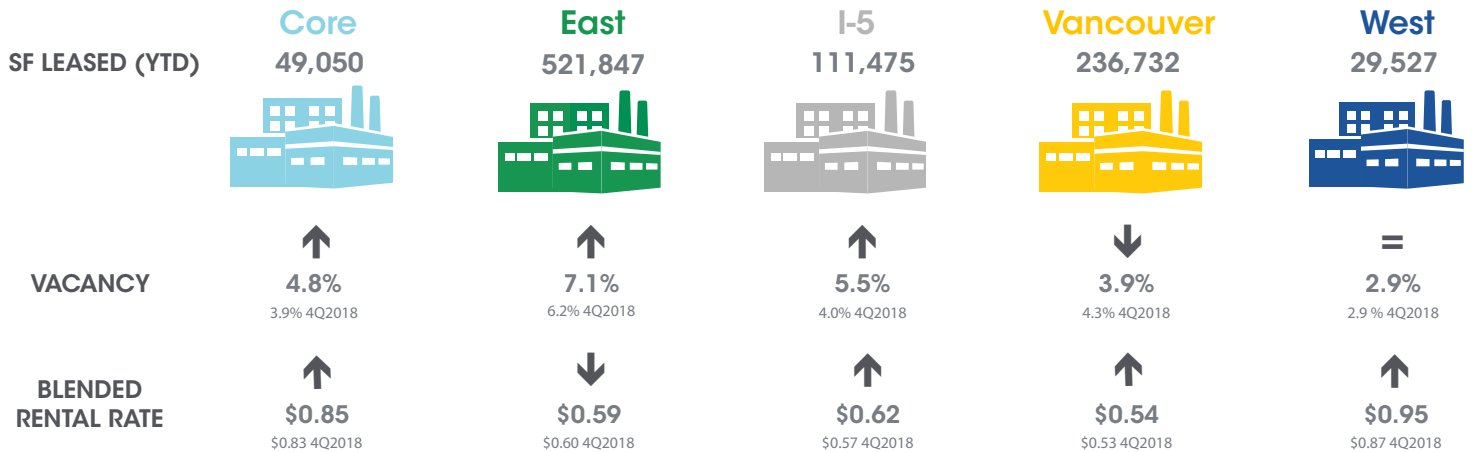
PORTLAND INDUSTRIAL

Portland's industrial vacancy rate rose from 3.1% at the end of 2018 to 3.7% at the end of 1Q19, but still remains well below historical norms of 5% to 8%. After absorption of 2.3 million SF in the previous quarter, the market took a pause to catch its breath and ended 1Q19 with absorption at, or near zero SF.

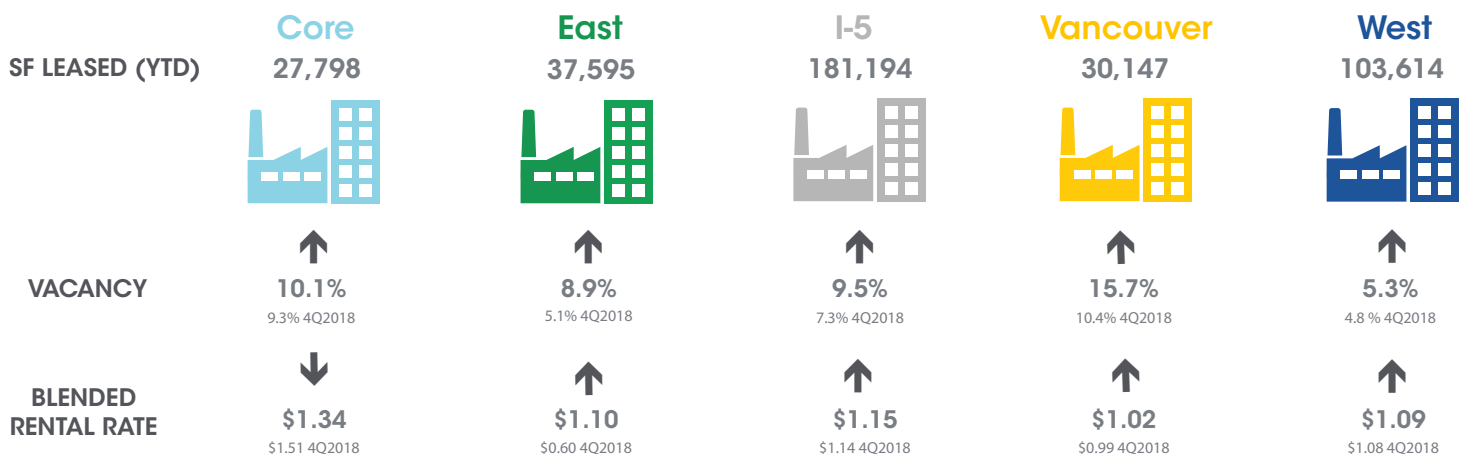
Rental rates continue to rise, but have slowed from the rapid pace we saw early in the recovery. Most of the new construction has been larger warehouse spaces so look for a continued rise in rental rates at smaller business park spaces, which are not competing with new deliveries. Sales volume slowed after reaching a peak in 2016 with total investment volume of \$1.2 billion.



WAREHOUSE



FLEX

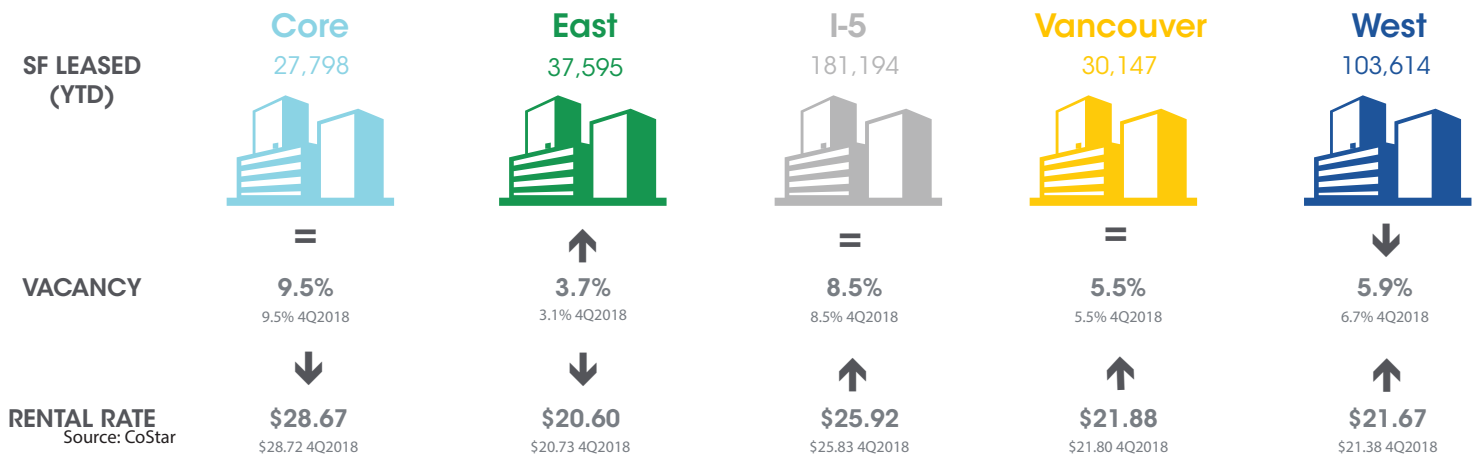
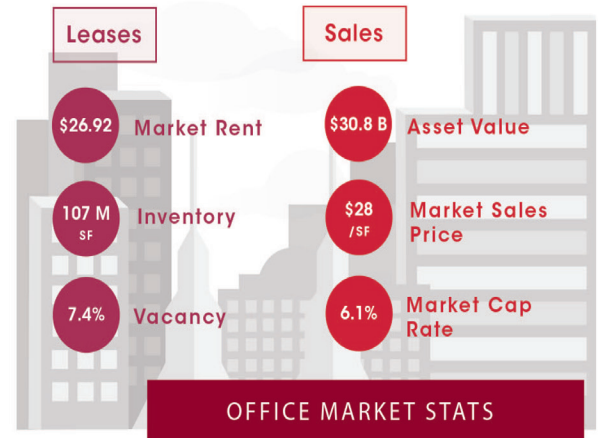


PORTLAND OFFICE

Portland's strong economy is spurring demand for the metro's office market. New supply reached a cycle peak in 2018, with 2.1 million SF delivered. The pipeline for 2019 is also formidable. However, much of this new space is build-to-suit, primarily campus expansions for Nike, Oregon Health & Science University, and Adidas. Vacancy has been only moderately impacted by the supply wave of new space. Rents are lower than the national average but consistently post strong annual growth. Sales volume remains robust, with investment rounding to \$1.25 billion or higher each of the past four years.



OFFICE - ALL CLASSES



Market Location Definitions

Core:

Downtown, Close-In Northwest, Close-In Northeast, Close-In Southwest, Close-In Southeast

East:

Hollywood, Gateway, Airport, Milwaukie, Clackamas, Gresham

I-5:

Tigard, Lake Oswego, Kruse Way, Tualatin, Wilsonville, Sherwood

Vancouver:

Vancouver, Hazel Dell, Salmon Creek, Five Corners, Mill Plain, Ellsworth, Camas

West:

Beaverton, Hillsboro, Aloha, Cornell

Established in 1978, Macadam Forbes, Inc. is a significant force in Portland's commercial real estate history.

Macadam Forbes' sales and leasing team members average 20 years of experience in commercial real estate. Locally owned by active brokers, the company continues to grow into a market leader in office, industrial, investment, and land/development transactions throughout the Portland metropolitan area and beyond.